

Message Text

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PAGE 01 TUNIS 09024 210959Z

ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 IO-14 ISO-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05

SS-15 STR-05 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02

SOE-01 OMB-01 DOE-12 /133 W

-----114050 211053Z /17

R 210802Z DEC 77

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 9309

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY RABAT

AMEMBASSY ROME

UNCLAS TUNIS 9024

USEEC ALSO FOR EMBASSY

USOECN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: ETRD, EPAP, TS, EEC

SUBJECT: EC-TUNISIAN TEXTILE AGREEMENT: VOLUNTARY EXPORTS RESTRAINTS TO BE IMPOSED BY GOT IN 1978.

REF: TUNIS 6343

1. (BEGIN SUMMARY) ACCORDING TO TUNIS NEWSPAPERS OF DECEMBER 16, DISCUSSIONS BETWEEN TUNISIA AND EC ON LIMITATION OF TUNISIAN TEXTILE EXPORTS TO THE COMMUNITY HAVE RESULTED IN A "SELF-RESTRAINT" AGREEMENT FOR 1978 WHICH, GOT HOPES, WILL MEAN AN OVERALL LOOSENING OF TIGHT RESTRICTIONS IMPOSED SINCE MID-1977 ON TUNISIAN TEXTILE EXPORTS TO EC. (END SUMMARY)

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TUNIS 09024 210959Z

2. ON DECEMBER 13 AN AGREEMENT WAS REACHED IN BRUSSELS BETWEEN GOT AND EUROPEAN COMMISSION WHICH OUTLINED IN EXCHANGE OF NOTES WHAT GENERAL SCALE OF TUNISIAN TEXTILES WILL BE EXPORTED TO EUROPE IN 1978.

3. COMMUNIQUE ISSUED BY TUNISIAN MINISTRY OF NATIONAL

ECONOMY SAID THE TWO PARTIES HAD AGREED THAT UNDER FLEXIBLE "SELF-RESTRAINT" ARRANGEMENT, SUBJECT TO EX POST EC VERIFICATION, "LEVEL OF EXPORTS FOR SPECIFIC PRODUCTS IN 1978 WOULD IN ALO CASES BY SUPERIOR TO THAT OF 1977 AND WOULD TAKE INTO ACCOUNT EXISITING AND EXPECTED EXPORT CAPACITIES". ACCORDING TO COMMUNIQUE, AGREEMENT NOT BASED ON "UNJUSTIFIED EC INVOCATION OF SAFEGUARD CLAUSE" BUT INSTEAD ON TUNISIA'S SENSITIVITY, AS PRIVILEGED AND RESPONSIBLE TRADING PARTNER, TO PROBLEMS OF EC INDUSTRY IN THIS DIFFICULT PERIOD.

4. TUNISIA AND EEC REACHED THIS AGREEMENT AFTER SIX MONTHS OF DISCUSSIONS DURING WHICH GOT MAINTAINED FOLLOWING SIX POINT POSITION: A) TUNISIA HAS PLAYED NO ROLE IN THE EC'S TEXTILE-INDUSTRY DIFFICULTIES; B) COMPARED WITH OTHER COUNTRIES, TUNISIA EXPORTS ONLY A VERY SMALL AMOUNT OF TEXTILES TO EUROPE; C) TUNISIAN TEXTILE INDUSTRY HAD NOT "DISLOYALLY" COMPETED WITH THE EUROPEAN TEXTILE INDUSTRY; D) TUNISIA HAS A COMMERCIAL DEFICIT, INCLUDING A TEXTILE TRADE DEFICIT, WITH THE EC; E) TUNISIA IS TIED TO THE EC BY A PREFERENTIAL AGREEMENT; F) TUNISIAN TEXTILE INDUSTRY HAS BEEN DEVELOPED IN CLOSE COOPERATION AND TITH ENCOURAGEMENT OF ITS EUROPEAN COUNTERPART, AND INTRODUCTIONOF RESTRICTIVE MEASURES, GOES AGAINST SPIRIT AND LETTER OF THE ASSOCIATION AGREEMENT".

UNCLASSIFIED

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PAGE 03 TUNIS 09024 210959Z

5. COMMUNIQUE ADDED THAT MINISTRY WILL PROMPTLY MEET WITH INDUSTRY REPRESENTATIVES TO DISCUSS RESULTS OF CONSULTATIONS WITH EC AND EXPORT PROCEDURES FOR 1978.

6. DISCUSSING TUNISIAN-EC TEXTILE SITUATION SEPTEMBER 15 AT PRESS CONFERENCE AT CONCLUSION OF THREE-DAY VISIT TO TUNISIA, MR. ANDRE ROSSI, FRENCH MINISTER OF EXTERIOR COMMERCE, SAID FRANCE HAD PLAYED IMPPRTANT ROLE IN SUPPORTING POSITION OF TUNISIA AND MOROCCO VIS-A-VIS THE EUROPEAN COMMUNITY. HE ALSO ASSERTED THAT EC WAS ABSORBING 75 PERCENT OF RAPIDLY GROWING TEXTILE EXPORTS OF DEVELOPING COUNTRIES, AS COMPARED WITH ONLY 10 PERCENTBY THE UNITED STATES. (NOTE: EMBASSY WOULD WELCOME WASHINGTON COMMENT ON THIS CLAIM).

7. RESPONDING TO MORE GENERAL CRITICISM OF IMBALANCE IN FRENCH-TUNISIAN TRADE, ROSSI NOTED RECENT 20 PERCENTH GROWTH IN FRENCH IMPORTS OF TUNISIAN PHOSPHATES AND FACT THAT THREE-FOURTHS OF FRENCH IMPORTS OF PHOSPHORIC ACID COME FROM TUNISIA AND CITED CONTINUING FRENCH EFFORTS IN EC ON BEHALF OF TUNISIAN OLIVE OIL. ROSSI SAID HE HAD INVITED NATIONAL ECONOMY MINISTER LASRAM, TUNISIAN

INVESTMENT PROMOTION AGENCY (API) PRESIDENT CHELLI AND
HEAD OF TUNISIAN EXPORT PROMOTION AGENCY (CEPEX) TO
FRANCE TO STRENGTHEN COMMERCIAL TIES. HE SAID A HIGH
LEVEL MISSION OF FRENCH EXPERTS WOULD VISIT TUNISIA TO
EXAMINE JOINTLY TUNISIAN PRODUCTS AND SITUATION OF
FRENCH TEXTILE INDUSTRY IN ORDER TO SEE WHICH SECTOR OF
TUNISIAN INDUSTRY COULD BE DEVELOPED WITH CERTAINTY OF
FINDING OUTLETS FOR ITS PRODUCTS. THIS WOULD BE FIRST
STEP TOWARDS DIVERSIFICATION. ROSSI ALSO SPOKE OF HELP
FRENCH TRADING COMPANIES COULD PROVIDE IN SELLING TUNISIAN
PRODUCTS IN THIRD COUNTRY MARKETS.

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